

Message Text

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42

ACTION AF-06

INFO OCT-01 ISO-00 SEC-01 EUR-12 NEA-10 EB-07 COME-00

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E.O. 11652: N/A

TAGS: PFOR, NI

SUBJECT: ASHLAND OIL PAYMENTS TO NIGERIAN CITIZEN

REFS: A) LAGOS 7023

B) LAGOS 5937

1. IN FRONT PAGE ARTICLE AUG. 12 NEW NIGERIAN REPORTED THAT A U.S. SECURITIES AND EXCHANGE COMMISSION DOCUMENT WHICH IT SAID HAD BEEN MADE PUBLIC IN WASHINGTON ON PRECEDING WEEKEND DISCLOSED A 1968 ASHLAND OIL COMPANY PAYMENT TO NIGERIAN R.A. FANI-KAYODE. ARTICLE CLAIMED NEW NIGERIAN HAD BEEN TOLD BY FANI-KAYODE THAT HE HAD "KNOWN" ASHLAND OIL THROUGH LAGOS SOLICITORS IRVING AND BONNAR. HE SAID HE HAD RECEIVED A 3000 NAIRA FEE IN CONNECTION WITH AND 400,000 POUND TRANSACTION HANDLED THROUGH IRVING AND BONNAR. ASKED ABOUT MONEY REFERRED TO IN REPORT (PRESUMABLY THREE PAYMENTS OF \$10,000 EACH) FANI-KAYODE QUOTED AS SAYING HE BELIEVED IT HAD BEEN CASHED (SIC) "IF NOT BY SOME EUROPEANS, THEN SOME SYRIANS." ARTICLE THEN WENT ON TO STATE THAT ASHLAND HAD GIVEN COVER FOR CIA AGENTS ENGAGED IN ESPIONAGE IN MANY COUNTRIES AND MENTIONED ASHLAND PAYMENTS TO BONGO, VARIOUS LIBYAN OFFICIALS AND FORMER PRESIDENT NIXON'S REELECTION CAMPAIGN. BOTH ASHLAND PAYMENTS AND COVER STORY HAD RECEIVED EARLIER BRIEF COVERAGE IN NIGERIAN MEDIA.

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2. FOLLOWING DAY NEW NIGERIAN APOLOGIZED COMMENTS ATTRIBUTED

TO FANI-KAYODE, EXPLAINING THAT ITS CORRESPONDENT HAD SPOKEN NOT TO HIM BUT TO ANOTHER INDIVIDUAL IN HIS FIRM. NEWSPAPER PRINTED TEXT OF FANI-KAYODE LETTER IN WHICH HE CASTIGATED NEW NIGERIAN FOR ITS IRRESPONSIBILITY, SAID HE HAD NO CONNECTION WITH IRVING AND BONNAR REGARDING ASHLAND AND DISCLAIMED KNOWLEDGE OF 400,000 POUNDS ASHLAND TRANSACTION OR OF EUROPEANS AND SYRIANS DEALING WITH IRVING AND BONNAR AND ASHLAND. HE EXPLAINED THAT WHILE RESIDENT OUTSIDE NIGERIA IN 1967-8 HE HAD BEEN CONSULTANT TO ASHLAND OIL OF HOUSTON WHICH AT THAT TIME CONTEMPLATING INCORPORATION IN NIGERIA. SUBSEQUENTLY, ACCORDING TO FANI-KAYODE, ASHLAND DECIDED NOT TO PROCEED WITH THE PROJECT, WITHDREW THEIR INSTRUCTIONS FROM HIM AND PAID HIM CONSULTANT FEES OF ABOUT 4,000 POUNDS.

3. COMMENT: NEW NIGERIAN HAS BEEN SILENT ON THE ISSUE FOR THE PAST TWO DAYS AND NO OTHER PAPERS HAVE PICKED IT UP. SINCE FANI-KAYODE HINTED AT POSSIBILITY OF BRINGING CHARGES AGAINST NEW NIGERIAN, NEWSPAPER MAY BE MORE CIRCUMSPECT IN FUTURE REPORTING THIS SUBJECT. HOWEVER, IT HAS BEEN A MONTH FOR ADVERSE CIA AND MULTINATIONAL PUBLICITY IN NIGERIA AND WE ARE NOT SANGUNNE THAT THE STORY HAS RUN ITS COURSE.
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